

**Tennessee Technological University  
Dormitory Corporation**

**For the Year Ended  
June 30, 2003**

***Arthur A. Hayes, Jr., CPA, JD, CFE***

Director

***Charles K. Bridges, CPA***

Assistant Director

***Shirley A. Henry, CPA***

Audit Manager

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[www.comptroller.state.tn.us/sa/reports/index.html](http://www.comptroller.state.tn.us/sa/reports/index.html).  
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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY**

State Capitol  
Nashville, Tennessee 37243-0260  
(615) 741-2501

**John G. Morgan**  
Comptroller

February 26, 2004

The Honorable Phil Bredezen, Governor  
and

Members of the General Assembly  
State Capitol  
Nashville, Tennessee 37243  
and

The Honorable Charles W. Manning, Chancellor  
Tennessee Board of Regents  
1415 Murfreesboro Road, Suite 350  
Nashville, Tennessee 37217  
and

Mr. Leon Delozier, President  
Tennessee Technological University Dormitory Corporation  
1511 Doris Drive  
Cookeville, Tennessee 38501

Ladies and Gentlemen:

Transmitted herewith is the financial and compliance audit of the Tennessee Technological University Dormitory Corporation for the year ended June 30, 2003. You will note from the independent auditor's report that an unqualified opinion was given on the fairness of the presentation of the financial statements.

Consideration of internal control over financial reporting and tests of compliance resulted in no audit findings.

Sincerely,

John G. Morgan  
Comptroller of the Treasury

JGM/th  
04/024

State of Tennessee

# Audit Highlights

Comptroller of the Treasury

Division of State Audit

Financial and Compliance Audit  
**Tennessee Technological University Dormitory Corporation**  
For the Year Ended June 30, 2003

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## AUDIT OBJECTIVES

The objectives of the audit were to consider the corporation's internal control over financial reporting; to determine compliance with certain provisions of laws and regulations; to determine the fairness of the presentation of the financial statements; and to recommend appropriate actions to correct any deficiencies.

## AUDIT FINDINGS

The audit report contains no findings.

## OPINION ON THE FINANCIAL STATEMENTS

The opinion on the financial statements is unqualified.

**Audit Report**  
**Tennessee Technological University Dormitory Corporation**  
**For the Year Ended June 30, 2003**

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# **Tennessee Technological University Dormitory Corporation**

## **For the Year Ended June 30, 2003**

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### **INTRODUCTION**

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#### **POST-AUDIT AUTHORITY**

This is a report on the financial and compliance audit of the Tennessee Technological University Dormitory Corporation. The audit was conducted pursuant to Section 4-3-304, *Tennessee Code Annotated*, which authorizes the Department of Audit to “perform currently a post-audit of all accounts and other financial records of the state government, and of any department, institution, office, or agency thereof in accordance with generally accepted auditing standards and in accordance with such procedures as may be established by the comptroller.”

Section 8-4-109, *Tennessee Code Annotated*, authorizes the Comptroller of the Treasury to audit any books and records of any governmental entity that handles public funds when the Comptroller considers an audit to be necessary or appropriate.

#### **BACKGROUND AND ORGANIZATION**

The Tennessee Technological University Dormitory Corporation was chartered as a general welfare, nonprofit corporation on February 23, 1966. The purpose of the corporation is to borrow the necessary funds to finance the construction of, and to maintain and operate, student apartment and dormitory housing for the university. Upon dissolution of the corporation, all the corporation’s assets remaining after the payment of all its liabilities are to be transferred to the university without further consideration.

A meeting of the five-member board of directors of the Tennessee Technological University Dormitory Corporation was held on July 14, 1966, to adopt a bond resolution authorizing the issuance of dormitory revenue bonds of \$3,425,000. First Tennessee Bank was named as trustee. At a similar meeting on May 12, 1967, the board of directors adopted a resolution authorizing the issuance of \$2,900,000 in dormitory revenue bonds and named Union Planters National Bank of Memphis as trustee. In May 1999, the accounts with Union Planters were transferred to Bank of New York Trust of Missouri. In October 2000, Chase Manhattan Trust Company, N.A., acquired the corporate and municipal trust business of First Tennessee Bank, and the accounts were transferred from First Tennessee Bank to Chase Manhattan Trust Company, N.A.

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## **AUDIT SCOPE**

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The audit was limited to the period July 1, 2002, through June 30, 2003, and was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Financial statements are presented for the year ended June 30, 2003, and for comparative purposes, the year ended June 30, 2002. The Tennessee Technological University Dormitory Corporation is a blended component unit of Tennessee Technological University.

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## **OBJECTIVES OF THE AUDIT**

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The objectives of the audit were

1. to consider the corporation's internal control over financial reporting to determine auditing procedures for the purpose of expressing an opinion on the financial statements;
2. to determine compliance with certain provisions of laws and regulations;
3. to determine the fairness of the presentation of the financial statements; and
4. to recommend appropriate actions to correct any deficiencies.

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## **PRIOR AUDIT FINDINGS**

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There were no findings in the prior audit report.

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## RESULTS OF THE AUDIT

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### AUDIT CONCLUSIONS

#### Internal Control

As part of the audit of the corporation's financial statements for the year ended June 30, 2003, we considered internal control over financial reporting to determine auditing procedures for the purpose of expressing an opinion on the financial statements, as required by auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Consideration of internal control over financial reporting disclosed no material weaknesses.

#### Compliance

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

#### Fairness of Financial Statement Presentation

The Division of State Audit has rendered an unqualified opinion on the corporation's financial statements.



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF STATE AUDIT**

**SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0264  
PHONE (615) 401-7897  
FAX (615) 532-2765**

**Report on Compliance and on Internal Control  
Over Financial Reporting Based on an Audit of  
Financial Statements Performed in Accordance With  
*Government Auditing Standards***

November 12, 2003

The Honorable John G. Morgan  
Comptroller of the Treasury  
State Capitol  
Nashville, Tennessee 37243

Dear Mr. Morgan:

We have audited the financial statements of the Tennessee Technological University Dormitory Corporation, a blended component unit of Tennessee Technological University, as of and for the year ended June 30, 2003, and have issued our report thereon dated November 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the corporation's financial statements are free of material misstatement, we performed tests of the corporation's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Honorable John G. Morgan  
November 12, 2003  
Page Two

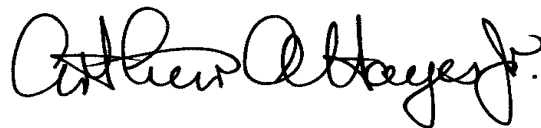
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted certain matters involving the internal control over financial reporting, which we have reported to the corporation's management in a separate letter.

This report is intended solely for the information and use of the General Assembly of the State of Tennessee and management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record.

Sincerely,

A handwritten signature in black ink, reading "Arthur A. Hayes, Jr." in a cursive script.

Arthur A. Hayes, Jr., CPA,  
Director

AAH/th



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF STATE AUDIT**

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**Independent Auditor's Report**

November 12, 2003

The Honorable John G. Morgan  
Comptroller of the Treasury  
State Capitol  
Nashville, Tennessee 37243

Dear Mr. Morgan:

We have audited the accompanying statements of net assets of the Tennessee Technological University Dormitory Corporation, a blended component unit of Tennessee Technological University, as of June 30, 2003, and June 30, 2002, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements, based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tennessee Technological University Dormitory Corporation as of June 30, 2003, and June 30, 2002, and the revenues, expenses, and changes in net assets and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Honorable John G. Morgan  
November 12, 2003  
Page Two

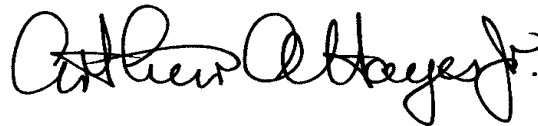
As discussed in Note 7, during the year ended June 30, 2002, the corporation implemented GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. The corporation also implemented GASB Statement 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, and GASB Statement 38, *Certain Financial Statement Note Disclosures*.

The management's discussion and analysis on pages 8 through 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information on pages 24 through 26 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2003, on our consideration of the corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Arthur A. Hayes, Jr.", with a stylized flourish at the end.

Arthur A. Hayes, Jr., CPA,  
Director

AAH/th

**TENNESSEE TECHNOLOGICAL UNIVERSITY**  
**DORMITORY CORPORATION**  
**Management's Discussion and Analysis**

This section of Tennessee Technological University Dormitory Corporation's annual financial report presents a discussion and analysis of the financial performance of the corporation during the fiscal year ended June 30, 2003. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with the financial statements and notes. The financial statements, notes, and this discussion are the responsibility of management.

**Using This Annual Report**

This report consists of three basic financial statements. The Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows provide information on Tennessee Technological University Dormitory Corporation as a whole and present a long-term view of the corporation's finances.

**The Statement of Net Assets**

The Statement of Net Assets presents the financial position of the corporation at the end of the fiscal year and includes all assets and liabilities of the corporation. The difference between total assets and total liabilities—net assets—is an indicator of the current financial condition of the corporation. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation.

Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt, provides the corporation's equity in property, plant, and equipment owned by the corporation. The next asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. The corporation had no nonexpendable restricted net assets. Expendable restricted net assets are available for expenditure by the corporation but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted net assets are available to the corporation for any lawful purpose of the corporation.

## Statements of Net Assets

	<u>TTDC 1966</u>		<u>TTDC 1967</u>	
	2003	2002	2003	2002
<b>Assets:</b>				
Noncurrent assets	\$ -	\$ 251,487.50	\$ 171,776.28	\$ 169,997.14
Capital assets (net)	246,841.92	332,925.23	209,665.92	251,598.93
<b>Total assets</b>	<u>246,841.92</u>	<u>584,412.73</u>	<u>381,442.20</u>	<u>421,596.07</u>
<b>Liabilities:</b>				
Current liabilities	-	166,221.00	158,328.00	153,807.00
Noncurrent liabilities	-	-	80,000.00	236,000.00
<b>Total liabilities</b>	<u>-</u>	<u>166,221.00</u>	<u>238,328.00</u>	<u>389,807.00</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	246,841.92	167,925.23	(26,334.08)	(134,401.07)
Restricted – expendable	-	194,300.00	160,000.00	160,000.00
Unrestricted	-	55,966.50	9,448.28	6,190.14
<b>Total net assets</b>	\$ <u>246,841.92</u>	\$ <u>418,191.73</u>	\$ <u>143,114.20</u>	\$ <u>31,789.07</u>

- Total assets of the corporation decreased by \$377,724.68 due to depreciation of the capital assets and the deposits with trustees being used to pay off the remaining debt on the TTDC 1966 bonds.
- Total liabilities of the corporation decreased by \$317,700.00 mostly due to payments made on the bonds payable.

All of the corporation's unrestricted net assets have been designated or reserved for specific purposes such as renewal and replacement of equipment and future debt service.

### The Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents the operating results of the corporation, as well as the nonoperating revenues and expenses.

# STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	TTDC 1966		TTDC 1967	
	2003	2002	2003	2002
<b>REVENUES</b>				
Operating revenues:				
Auxiliary enterprises:				
Residence halls	\$ 1,486,200.04	\$ 1,405,665.99	\$ 606,333.87	\$ 524,852.02
Other operating revenues	9,172.61	11,696.47	3,206.59	4,553.30
Total operating revenues	<u>1,495,372.65</u>	<u>1,417,362.46</u>	<u>609,540.46</u>	<u>529,405.32</u>
<b>EXPENSES</b>				
Operating expenses:				
Utilities, supplies, and other services	1,301,796.34	1,145,128.95	618,368.74	415,702.94
Depreciation expense	91,571.41	91,571.59	41,933.01	41,933.15
Total operating expenses	<u>1,393,367.75</u>	<u>1,236,700.54</u>	<u>660,301.75</u>	<u>457,636.09</u>
Operating income (loss)	<u>102,004.90</u>	<u>180,661.92</u>	<u>(50,761.29)</u>	<u>71,769.23</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	943.27	4,606.35	2,389.22	4,198.02
Interest on capital asset-related debt	(2,491.50)	(10,144.00)	(19,461.00)	(28,159.00)
Other nonoperating revenues (expenses)	<u>(2,110.13)</u>	<u>(207,583.98)</u>	<u>(4,342.44)</u>	<u>(202,229.02)</u>
Net nonoperating expenses	<u>(3,658.36)</u>	<u>(213,121.63)</u>	<u>(21,414.22)</u>	<u>(226,190.00)</u>
Income (loss) before transfers	98,346.54	(32,459.71)	(72,175.51)	(154,420.77)
Transfer (to) from reserves	<u>(269,696.35)</u>	<u>(189,827.02)</u>	<u>183,500.64</u>	<u>60,778.83</u>
Increase (decrease) in net assets	<u>(171,349.81)</u>	<u>(222,286.73)</u>	<u>111,325.13</u>	<u>(93,641.94)</u>
<b>NET ASSETS</b>				
Net assets - beginning of year, as originally reported	418,191.73	3,895,555.85	31,789.07	1,509,225.10
Cumulative effects of change in accounting principle				
Adoption of depreciation for capital assets	-	(3,255,077.39)	-	(1,383,794.09)
Net assets - beginning of year, as restated	<u>418,191.73</u>	<u>640,478.46</u>	<u>31,789.07</u>	<u>125,431.01</u>
Net assets - end of year	<u>\$ 246,841.92</u>	<u>\$ 418,191.73</u>	<u>\$ 143,114.20</u>	<u>\$ 31,789.07</u>

## Revenues

- The corporation's operating revenues increased by \$158,145.33, as a result of an increase in revenues from residence halls of \$162,015.90, due to increased occupancy and more special and clinic revenues, and a decrease in other operating revenues of \$3,870.57.

## Expenses

For the fiscal year ended June 30, 2003, utilities, supplies, and other services represent 93% using the natural classification of expenses with depreciation making up the remaining 7%. For the fiscal year ended June 30, 2002, the breakdown was 92% for utilities, supplies, and other services and 8% for depreciation. The following chart details the operating expenses for the corporation:

	TTDC 1966		TTDC 1967	
	2003	2002	2003	2002
Administrative	\$ 100,680.75	\$ 92,955.86	\$ 30,886.53	\$ 23,068.46
Maintenance	363,579.67	351,161.00	145,220.07	138,593.34
Telephone	126,142.67	123,884.71	49,912.31	48,330.60
Depreciation	91,571.41	91,571.59	41,933.01	41,933.15
Counselor fees	50,689.91	45,668.35	27,656.16	23,113.44
Plant costs	270,947.76	253,974.20	98,534.58	84,129.74
General	100,693.37	85,325.62	50,748.14	40,336.00
Conferences	5,995.79	5,415.90	1,948.89	826.62
Insurance	1,195.83	1,151.84	542.49	538.60
Engineering	9,168.57	4,541.11	5,002.33	2,298.32
Unexpended plant	-	-	137,619.74	20,316.21
Renewals and replacements	269,878.51	178,733.51	68,757.01	32,979.02
Maintenance fee discounts	1,699.28	1,812.28	927.12	917.22
Maintenance fee for employees	1,124.23	504.57	613.37	255.37
Total operating expenses	\$ 1,393,367.75	\$ 1,236,700.54	\$ 660,301.75	\$ 457,636.09

- Total operating expenses increased by \$359,332.87. The major increases were \$31,378.40 in plant costs for the corporation's share of costs related to the maintenance and operation of plant, \$117,303.53 in unexpended plant for electrical replacement, and \$126,922.99 in renewals and replacements for noncapital expenses related to the apartments and women's residence.

## The Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also assists users in assessing the corporation's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

### Statements of Cash Flows

	<u>TTDC 1966</u>		<u>TTDC 1967</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Net cash provided (used) by operating activities	\$ 193,576.31	\$ 272,233.51	\$ (8,828.28)	\$ 113,702.38
Net cash provided (used) by noncapital financing activities	(269,696.35)	(189,827.02)	183,500.64	60,778.83
Net cash provided (used) by capital and related financing activities	75,176.77	(87,012.84)	(177,061.58)	(178,679.23)
Net cash provided by investing activities	<u>943.27</u>	<u>4,606.35</u>	<u>2,389.22</u>	<u>4,198.02</u>
Net change in cash	-	-	-	-
Cash - beginning of year	-	-	-	-
Cash - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

- Material sources of cash include residence hall income. Material uses of cash are payments to suppliers and debt retirement.

### Capital Assets and Debt Administration

#### Capital Assets

At June 30, 2003, the Tennessee Technological University Dormitory Corporation had \$456,507.84 invested in capital assets, net of accumulated depreciation of \$4,905,880.64. Depreciation charges totaled \$133,504.42 for the current fiscal year. Details of these assets are shown below.

### Schedule of Capital Assets, Net of Depreciation

	<u>TTDC 1966</u>		<u>TTDC 1967</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Buildings	\$224,643.00	\$316,214.41	\$209,665.92	\$251,598.93
Land improvements and infrastructure	16,710.82	16,710.82	-	-
Equipment	<u>5,488.10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$246,841.92</u></u>	<u><u>\$332,925.23</u></u>	<u><u>\$209,665.92</u></u>	<u><u>\$251,598.93</u></u>

The corporation did not have any major capital additions in 2002-03. There are no major capital expenditures planned for 2003-04. More detailed information about the corporation's capital assets is presented in Note 3 to the financial statements.

## Debt

At June 30, 2003, the corporation had \$236,000 in debt outstanding as shown below.

<b>Debt Instrument</b>		<b>Amount</b>			
		<u>TTDC 1966</u>		<u>TTDC 1967</u>	
		<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Bonds payable	\$	-	\$165,000	\$236,000	\$386,000

The corporation did not acquire any new debt during the year. Debt of \$315,000 was retired during the year. More detailed information about the corporation's long-term liabilities is presented in Note 4 to the financial statements.

## **Economic Factors That Will Affect the Future**

The corporation's 2003-04 budget will be improved by a small increase in residence hall fees.

## **Requests for Information**

This financial report is designed to provide a general overview of the corporation's finances for all those with an interest in the corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Jimmy Crabtree, Director of Auxiliaries, Tennessee Technological University, P.O. Box 5037, Cookeville, Tennessee 38505.

**TENNESSEE TECHNOLOGICAL UNIVERSITY DORMITORY CORPORATION**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2003, AND JUNE 30, 2002**

	<b>TTDC 1966</b>		<b>TTDC 1967</b>	
	<u>June 30, 2003</u>	<u>June 30, 2002</u>	<u>June 30, 2003</u>	<u>June 30, 2002</u>
<b>ASSETS</b>				
Noncurrent assets:				
Deposits with trustees (Note 2)	\$ -	\$ 251,487.50	\$ 171,776.28	\$ 169,997.14
Capital assets (net) (Note 3)	246,841.92	332,925.23	209,665.92	251,598.93
Total noncurrent assets	<u>246,841.92</u>	<u>584,412.73</u>	<u>381,442.20</u>	<u>421,596.07</u>
Total assets	<u>246,841.92</u>	<u>584,412.73</u>	<u>381,442.20</u>	<u>421,596.07</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accrued interest payable	-	1,221.00	2,328.00	3,807.00
Long-term liabilities, current portion (Note 4)	-	165,000.00	156,000.00	150,000.00
Total current liabilities	<u>-</u>	<u>166,221.00</u>	<u>158,328.00</u>	<u>153,807.00</u>
Noncurrent liabilities:				
Long-term liabilities (Note 4)	-	-	80,000.00	236,000.00
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>80,000.00</u>	<u>236,000.00</u>
Total liabilities	<u>-</u>	<u>166,221.00</u>	<u>238,328.00</u>	<u>389,807.00</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	246,841.92	167,925.23	(26,334.08)	(134,401.07)
Restricted for:				
Expendable:				
Debt service	-	194,300.00	160,000.00	160,000.00
Unrestricted	-	55,966.50	9,448.28	6,190.14
Total net assets	<u>\$ 246,841.92</u>	<u>\$ 418,191.73</u>	<u>\$ 143,114.20</u>	<u>\$ 31,789.07</u>

The notes to the financial statements are an integral part of this statement.

**TENNESSEE TECHNOLOGICAL UNIVERSITY DORMITORY CORPORATION**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2003, AND JUNE 30, 2002**

	<b>TTDC 1966</b>		<b>TTDC 1967</b>	
	Year Ended June 30, 2003	Year Ended June 30, 2002	Year Ended June 30, 2003	Year Ended June 30, 2002
<b>REVENUES</b>				
Operating revenues:				
Auxiliary enterprises:				
Residence halls	\$ 1,486,200.04	\$ 1,405,665.99	\$ 606,333.87	\$ 524,852.02
Other operating revenues	9,172.61	11,696.47	3,206.59	4,553.30
Total operating revenues	<u>1,495,372.65</u>	<u>1,417,362.46</u>	<u>609,540.46</u>	<u>529,405.32</u>
<b>EXPENSES</b>				
Operating expenses:				
Utilities, supplies, and other services	1,301,796.34	1,145,128.95	618,368.74	415,702.94
Depreciation expense	91,571.41	91,571.59	41,933.01	41,933.15
Total operating expenses	<u>1,393,367.75</u>	<u>1,236,700.54</u>	<u>660,301.75</u>	<u>457,636.09</u>
Operating income (loss)	<u>102,004.90</u>	<u>180,661.92</u>	<u>(50,761.29)</u>	<u>71,769.23</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	943.27	4,606.35	2,389.22	4,198.02
Interest on capital asset-related debt	(2,491.50)	(10,144.00)	(19,461.00)	(28,159.00)
Other nonoperating revenues (expenses)	(2,110.13)	(207,583.98)	(4,342.44)	(202,229.02)
Net nonoperating expenses	<u>(3,658.36)</u>	<u>(213,121.63)</u>	<u>(21,414.22)</u>	<u>(226,190.00)</u>
Income (loss) before transfers	<u>98,346.54</u>	<u>(32,459.71)</u>	<u>(72,175.51)</u>	<u>(154,420.77)</u>
Transfer (to) from reserve	<u>(269,696.35)</u>	<u>(189,827.02)</u>	<u>183,500.64</u>	<u>60,778.83</u>
Increase (decrease) in net assets	<u>(171,349.81)</u>	<u>(222,286.73)</u>	<u>111,325.13</u>	<u>(93,641.94)</u>
<b>NET ASSETS</b>				
Net assets - beginning of year, as originally reported	418,191.73	3,895,555.85	31,789.07	1,509,225.10
Cumulative effects of change in accounting principle (Note 7)				
Adoption of depreciation for capital assets	-	(3,255,077.39)	-	(1,383,794.09)
Net assets - beginning of year, as restated	<u>418,191.73</u>	<u>640,478.46</u>	<u>31,789.07</u>	<u>125,431.01</u>
Net assets - end of year	<u>\$ 246,841.92</u>	<u>\$ 418,191.73</u>	<u>\$ 143,114.20</u>	<u>\$ 31,789.07</u>

The notes to the financial statements are an integral part of this statement.

**TENNESSEE TECHNOLOGICAL UNIVERSITY DORMITORY CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2003, AND JUNE 30, 2002**

	<b>TTDC 1966</b>		<b>TTDC 1967</b>	
	Year Ended June 30, 2003	Year Ended June 30, 2002	Year Ended June 30, 2003	Year Ended June 30, 2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Payments to suppliers and vendors	\$ (1,301,796.34)	\$ (1,145,128.95)	\$ (618,368.74)	\$ (415,702.94)
Auxiliary enterprise charges:				
Residence halls	1,486,200.04	1,405,665.99	606,333.87	524,852.02
Other receipts	9,172.61	11,696.47	3,206.59	4,553.30
Net cash provided (used) by operating activities	<u>193,576.31</u>	<u>272,233.51</u>	<u>(8,828.28)</u>	<u>113,702.38</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Other noncapital financing receipts (payments)	<u>(269,696.35)</u>	<u>(189,827.02)</u>	<u>183,500.64</u>	<u>60,778.83</u>
Net cash provided (used) by noncapital financing activities	<u>(269,696.35)</u>	<u>(189,827.02)</u>	<u>183,500.64</u>	<u>60,778.83</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets and construction	(5,488.10)	(279.49)	-	-
Principal paid on capital debt	(165,000.00)	(180,000.00)	(150,000.00)	(141,000.00)
Interest paid on capital debt	(3,712.50)	(11,475.00)	(20,940.00)	(29,550.00)
Deposits with trustees	251,487.50	114,714.52	(1,779.14)	(3,511.32)
Other	<u>(2,110.13)</u>	<u>(9,972.87)</u>	<u>(4,342.44)</u>	<u>(4,617.91)</u>
Net cash provided (used) by capital and related financing activities	<u>75,176.77</u>	<u>(87,012.84)</u>	<u>(177,061.58)</u>	<u>(178,679.23)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Income on investments	<u>943.27</u>	<u>4,606.35</u>	<u>2,389.22</u>	<u>4,198.02</u>
Net cash provided by investing activities	<u>943.27</u>	<u>4,606.35</u>	<u>2,389.22</u>	<u>4,198.02</u>
Net change in cash	-	-	-	-
Cash - beginning of year	-	-	-	-
Cash - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 102,004.90	\$ 180,661.92	\$ (50,761.29)	\$ 71,769.23
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	91,571.41	91,571.59	41,933.01	41,933.15
Net cash provided (used) by operating activities	<u>\$ 193,576.31</u>	<u>\$ 272,233.51</u>	<u>\$ (8,828.28)</u>	<u>\$ 113,702.38</u>

The notes to the financial statements are an integral part of this statement.

**Tennessee Technological University Dormitory Corporation**  
**Notes to the Financial Statements**  
**June 30, 2003, and June 30, 2002**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Tennessee Technological University Dormitory Corporation was chartered as a body corporate and politic; it is a general welfare, nonprofit corporation whose purpose is to borrow the necessary funds to finance the construction of, and to maintain and operate, student apartment and dormitory housing for the university.

The corporation is a blended component unit of Tennessee Technological University. Although it is legally separate from the university, in the university's financial statements the corporation is reported as if it were part of the university. Because of the nature and significance of its relationship with the university, the exclusion of the corporation from the university's reporting entity would render the university's financial statements incomplete. The assets and liabilities of the corporation are included on the university's statement of net assets. Revenues and expenses of the corporation are also included in the university's financial statements. Upon dissolution of the corporation, all the corporation's assets remaining after payment of all its liabilities are to be transferred to the university without further consideration.

**Basis of Presentation**

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB issued Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This was followed in November 1999 by GASB Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. The financial presentation required by those statements provides a comprehensive, entity-wide perspective of the corporation's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows, and replaces the fund-group perspective previously required.

Significant accounting changes made in order to comply with the new requirements include adoption of depreciation on capital assets.

**Basis of Accounting**

For financial statement purposes, the corporation is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements have been prepared using the economic resources measurement focus and

**Tennessee Technological University Dormitory Corporation**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2003, and June 30, 2002**

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the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant interfund transactions have been eliminated.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The corporation has the option of following private-sector guidance issued subsequent to November 30, 1989, subject to the above limitation. The corporation has elected not to follow private-sector guidance issued subsequent to November 30, 1989.

Amounts reported as operating revenues include sales and services of auxiliary enterprises and other sources of revenue. Operating expenses for the corporation include depreciation, utilities, supplies, and other services.

All other activity is nonoperating in nature and includes (1) investment income; (2) bond issuance costs; and (3) interest on capital asset-related debt.

When both restricted and unrestricted resources are available for use, generally it is the corporation's policy to use the restricted resources first.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the statement of net assets at historical cost less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized.

A capitalization threshold of \$100,000 is used for buildings, and \$50,000 is used for infrastructure. Equipment is capitalized when the unit acquisition cost is \$5,000 or greater. The capitalization threshold for additions and improvements to buildings and land is set at \$50,000.

These assets, with the exception of land, are depreciated using the straight-line method over the estimated useful lives, which range from 5 to 40 years.

**Tennessee Technological University Dormitory Corporation**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2003, and June 30, 2002**

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**Net Assets**

The corporation's net assets are classified as follows:

Invested in capital assets, net of related debt – This represents the corporation's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Expendable restricted net assets – Expendable restricted net assets include resources which the corporation is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted net assets – Unrestricted net assets represent resources derived from student fees and auxiliary enterprises. These resources are used for transactions relating to the general operations of the corporation, and may be used at the discretion of the corporation to meet current expenses for any purpose. The auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff.

**NOTE 2. DEPOSITS WITH TRUSTEES**

Reserves at Chase Manhattan Bank and Bank of New York Trust of Missouri have been maintained at a level equal to or higher than that required by the various bond resolutions. All investments permitted to be reported at fair value under GASB Statement 31 are reported at fair value. At June 30, 2003, the reserves consisted of mutual funds with a fair value of \$171,776.28 for the 1967 bond issue. At June 30, 2002, the reserves consisted of mutual funds with a fair value of \$251,487.50 for the 1966 bond issue and \$169,997.14 for the 1967 bond issue. Mutual funds are not subject to credit risk categorization.

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2003, was as follows:

<b>1966 Bonds</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Reductions</u>	<u>Ending Balance</u>
Land improvements and infrastructure	\$ 16,710.82	\$ -	\$ -	\$ -	\$ 16,710.82
Buildings	3,662,863.39	-	-	-	3,662,863.39
Equipment	-	5,488.10	-	-	5,488.10

**Tennessee Technological University Dormitory Corporation**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2003, and June 30, 2002**

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Total	3,679,574.21	5,488.10	-	-	3,685,062.31
Less accum. depreciation:					
Buildings	<u>3,346,648.98</u>	<u>91,571.41</u>	<u>-</u>	<u>-</u>	<u>3,438,220.39</u>
Capital assets, net	<u>\$ 332,925.23</u>	<u>\$ (86,083.31)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,841.92</u>
<b>1967 Bonds</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Reductions</u>	<u>Ending Balance</u>
Buildings	\$1,677,326.17	\$ -	\$ -	\$ -	\$1,677,326.17
Less accum. depreciation:					
Buildings	<u>1,425,727.24</u>	<u>41,933.01</u>	<u>-</u>	<u>-</u>	<u>1,467,660.25</u>
Capital assets, net	<u>\$ 251,598.93</u>	<u>\$ (41,933.01)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,665.92</u>

Capital asset activity for the year ended June 30, 2002, was as follows:

<b>1966 Bonds</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Reductions</u>	<u>Ending Balance</u>
Land improvements and infrastructure	\$ 16,431.33	\$ 279.49	\$ -	\$ -	\$ 16,710.82
Buildings	<u>3,662,863.39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,662,863.39</u>
Total	3,679,294.72	279.49	-	-	3,679,574.21
Less accum. depreciation:					
Buildings	<u>3,255,077.39</u>	<u>91,571.59</u>	<u>-</u>	<u>-</u>	<u>3,346,648.98</u>
Capital assets, net	<u>\$ 424,217.33</u>	<u>\$ (91,292.10)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,925.23</u>
<b>1967 Bonds</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Reductions</u>	<u>Ending Balance</u>
Buildings	\$1,677,326.17	\$ -	\$ -	\$ -	\$1,677,326.17
Less accum. depreciation:					
Buildings	<u>1,383,794.09</u>	<u>41,933.15</u>	<u>-</u>	<u>-</u>	<u>1,425,727.24</u>
Capital assets, net	<u>\$ 293,532.08</u>	<u>\$ (41,933.15)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,598.93</u>

**Tennessee Technological University Dormitory Corporation**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2003, and June 30, 2002**

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**NOTE 4. LONG-TERM LIABILITIES**

Long-term liabilities activity for the year ended June 30, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Payables:					
1966 Bonds	\$ 165,000.00	\$ -	\$ 165,000.00	\$ -	\$ -
1967 Bonds	\$ 386,000.00	\$ -	\$ 150,000.00	\$ 236,000.00	\$156,000.00

Long-term liabilities activity for the year ended June 30, 2002, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Payables:					
1966 Bonds	\$ 345,000.00	\$ -	\$ 180,000.00	\$ 165,000.00	\$165,000.00
1967 Bonds	\$ 527,000.00	\$ -	\$ 141,000.00	\$ 386,000.00	\$150,000.00

**Bonds Payable**

Bond issues, with interest rates ranging from 4.5% to 5.0%, are due serially to 2005 and are secured by pledges of the facilities' revenues to which they relate.

Debt service requirements to maturity for the 1967 bonds payable at June 30, 2003, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$156,000.00	\$11,880.00	\$167,880.00
2005	<u>80,000.00</u>	<u>2,400.00</u>	<u>82,400.00</u>
Total	<u>\$236,000.00</u>	<u>\$14,280.00</u>	<u>\$250,280.00</u>

**NOTE 5. TRANSMITTAL OF REVENUE**

Revenue has been transmitted to the proper trust officer of each bond issue in accordance with the applicable bond resolution and memorandum of agreement

**Tennessee Technological University Dormitory Corporation**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2003, and June 30, 2002**

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between the university, the corporation, and the various trust officers involved with the bond issues.

**NOTE 6. EXPENSES**

The maintenance of the married student apartments and residence halls is in keeping with the stipulations in the various bond resolutions.

**NOTE 7. CUMULATIVE EFFECTS OF CHANGE IN ACCOUNTING PRINCIPLE**

During the year ended June 30, 2002, the corporation implemented GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. As a result of this implementation, the corporation was required to make changes in certain accounting principles, specifically the (1) adoption of capitalization criteria of \$100,000 and \$50,000 for buildings and additions, respectively; and (2) adoption of depreciation on capital assets. The cumulative effects on net assets of the adoption of depreciation on capital assets is shown below:

Adoption of depreciation on capital assets – 1966 bonds	\$ (3,255,077.39)
Adoption of depreciation on capital assets – 1967 bonds	\$ (1,383,794.09)

**NOTE 8. INSURANCE-RELATED ACTIVITIES**

The state purchases commercial insurance for real property losses above \$5 million per year and surety bond coverage on the state's officials and employees. In the past three fiscal years, the state has had no claims filed with the commercial insurer. A designation for casualty losses in the amount of \$3.271 million for incurred losses at June 30, 2003, was established in the state's general fund to provide for any property losses not covered by the commercial insurance.

At June 30, 2003, the scheduled coverage for the corporation was \$5,343,200 for buildings and \$336,000 for contents. At June 30, 2002, the scheduled coverage for the corporation was \$20,544,000 for buildings and \$1,106,000 for contents.

**Tennessee Technological University Dormitory Corporation**  
**Notes to the Financial Statements (Cont.)**  
**June 30, 2003, and June 30, 2002**

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The corporation has a business interruption insurance policy issued by the Continental National American Group, which provides \$530,000 of coverage. In the past three fiscal years, the corporation has had no claims filed with the commercial insurer.

The state has set aside assets for claim settlement in an internal service fund, the Claims Award Fund. This fund services all claims for risk of loss to which the state is exposed, including general liability, automobile liability, professional malpractice, and workers' compensation. The corporation participates in the Claims Award Fund. The fund allocates the cost of providing claims servicing and claims payment by charging a premium to the corporation based on a percentage of the corporation's expected loss costs, which include both experience and exposures. This charge considers recent trends in actual claims experience of the state as a whole. An actuarial valuation is performed as of fiscal year-end to determine the fund liability and premium allocation. Since the corporation participates in the Claims Award Fund, it is subject to the liability limitations under the provisions of the Tennessee Claims Commission Act, *Tennessee Code Annotated*, Section 9-8-101 et seq. Liability for negligence of the corporation for bodily injury and property damage is limited to \$300,000 per person and \$1,000,000 per occurrence. The limits of liability under workers' compensation are set forth in *Tennessee Code Annotated*, Section 50-6-101 et seq. Claims are paid through the state's Claims Award Fund.

**TENNESSEE TECHNOLOGICAL UNIVERSITY DORMITORY CORPORATION**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN RESERVE BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2003**

	<u>TTDC 1966</u>	<u>TTDC 1967</u>
Balance July 1, 2002	\$ 251,487.50	\$ 169,997.14
Additions:		
Principal and interest transfers	-	174,672.36
Investment income	<u>943.27</u>	<u>2,389.22</u>
Total available	<u>252,430.77</u>	<u>347,058.72</u>
Deductions:		
Retirement of indebtedness	165,000.00	150,000.00
Interest payments	3,712.50	20,940.00
Debt service agent fees	2,110.13	4,342.44
Transfer to renewals and replacements	<u>81,608.14</u>	<u>-</u>
Total deductions	<u>252,430.77</u>	<u>175,282.44</u>
Balance June 30, 2003	\$ <u><u>-</u></u>	\$ <u><u>171,776.28</u></u>

**TENNESSEE TECHNOLOGICAL UNIVERSITY DORMITORY CORPORATION**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES AND EXPENSES BY BOND ISSUE**  
**FOR THE YEAR ENDED JUNE 30, 2003**

	<u>TTDC 1966</u>	<u>TTDC 1967</u>
University building name	Browning, Cooper, Dunn, Evins, and Married Student Apartments	Murphy and Jobe
Rated capacity (fall semester)	733	321
Occupancy - academic year	1119	562
Percent occupied	76.33%	87.54%
Trustee	Chase Manhattan Bank	Bank of New York Trust of Missouri
<b>REVENUES</b>		
Operating revenues:		
Dormitory rentals	\$ 1,063,574.74	\$ 590,512.36
Apartment rentals	373,950.09	-
Special and clinic revenues	48,675.21	15,821.51
Other operating revenues	<u>9,172.61</u>	<u>3,206.59</u>
Total operating revenues	<u>1,495,372.65</u>	<u>609,540.46</u>
<b>EXPENSES</b>		
Operating expenses:		
Administrative	100,680.75	30,886.53
Maintenance	363,579.67	145,220.07
Telephone	126,142.67	49,912.31
Depreciation	91,571.41	41,933.01
Counselor fees	50,689.91	27,656.16
Plant costs	270,947.76	98,534.58
General	100,693.37	50,748.14
Conferences	5,995.79	1,948.89
Unexpended plant	-	137,619.74
Renewals and replacements	269,878.51	68,757.01
Engineering	9,168.57	5,002.33
Insurance	1,195.83	542.49
Maintenance fee discount for employees' spouses and dependents	1,699.28	927.12
Maintenance fee for employees	1,124.23	613.37
Total operating expenses	<u>1,393,367.75</u>	<u>660,301.75</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	943.27	2,389.22
Interest on capital asset-related debt	(2,491.50)	(19,461.00)
Debt service agent fees	(2,110.13)	(4,342.44)
Net nonoperating expenses	<u>(3,658.36)</u>	<u>(21,414.22)</u>
Transfer (to) from reserve	<u>(269,696.35)</u>	<u>183,500.64</u>
Increase (decrease) in net assets	<u>\$ (171,349.81)</u>	<u>\$ 111,325.13</u>

**TENNESSEE TECHNOLOGICAL UNIVERSITY DORMITORY CORPORATION**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF DEBT SERVICE STATISTICS**  
**FOR THE YEAR ENDED JUNE 30, 2003**

Name	Date of Issue	Interest Rate	Amount	Total Paid On Principal	Principal Outstanding June 30, 2003	Reserve Account	During the Year Ended June 30, 2003 Principal, Interest, and Agent's Fee Paid	During the Year Ended June 30, 2004 Principal, Interest, and Agent's Fee Payable
Tennessee Technological University Dormitory Corporation (Chase Manhattan Bank Trustee)	5/1/66	4.5%	\$ 3,425,000.00	\$ 3,425,000.00	\$ -	\$ -	\$ 170,822.63	\$ -
Tennessee Technological University Dormitory Corporation (Series B) (Bank of New York Trust of Missouri Trustee)	11/1/67	5.0%	\$ 1,439,000.00	\$ 1,203,000.00	\$ 236,000.00	\$ 171,776.28	\$ 175,282.44	\$ 171,280.00